



UNAUDITED FINANCIAL STATEMENTS FOR
NINE MONTHS ENDED 30th SEPTEMBER 2018



IronRock Insurance Company Limited

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Report to Stockholders

IronRock Generates First Quarterly Trading Profit

The Directors are pleased to present the unaudited financial statements of IronRock Insurance Company Limited (“IronRock”) for the quarter ended 30th September 2018.

We are delighted that IronRock has generated a trading profit of \$1.1m for the quarter. This marks the first quarter of profit for IronRock and although the trading loss for the nine months is \$7.55m, this is a considerable improvement over the prior year loss of \$60.43m.

For the quarter, gross written premium (GWP) increased to \$99.4m (2017: \$83.9m) with net premium written of \$41m and net earned premium of \$48.3m also increasing significantly over the prior period. Net commissions amounted to (\$1.4m) a reflection of the increase in IronRock’s motor and liability portfolios. With operating expenses of \$36.5m (2017: \$34.9m) and claims incurred of \$22.8m (2017: \$12m), IronRock’s underwriting loss was \$12.4m, compared to the loss of \$24m in 2017. Other income totalled \$13.5m and thus the trading result for the quarter amounted to a profit of \$1.1m as opposed to a loss of \$14m in 2017.

For the nine months of 2018, GWP grew by 48% to \$381.5m (2017: \$257.3m) whilst net earned premium increased to \$128.7m (2017: \$47.3m) an increase of 272%. Operating expenses amounted to \$110.5m (2017: \$99.8m) and claims incurred totalled \$61m (2017: \$34.2m), leading to an underwriting loss of \$42.8m which compares positively to the prior year loss of \$84.6m.

Other income for the nine months of 2018 increased by 45% YOY to \$35.3m and consequently the net loss reduced considerably to \$7.6m versus \$60.4m in 2017.

During the quarter, the Hon William “Billy” McConnell, our Chairman and a founding shareholder passed. We wish to recognise his invaluable contribution to the formation and operation of IronRock and the wider Jamaican business community.

We thank our Directors, Staff, Clients and Brokers for their support during the year.



R. Evan Thwaites
Managing Director



IronRock Insurance Company Limited
Statement of Comprehensive Income
For the nine months ended September 30, 2018

	Unaudited 3 months to Sept 30, 2018 \$'000	Unaudited 3 months to Sept 30, 2017 \$'000	Unaudited 9 months Sept 30, 2018 \$'000	Unaudited 9 months Sept 30, 2017 \$'000	Audited Dec 31, 2017 \$'000
Gross Premium	99,397	83,925	381,513	257,274	424,462
Less proportional reinsurance	(49,139)	(47,992)	(226,368)	(180,061)	(270,291)
Excess of loss premium	<u>(9,221)</u>	<u>(6,443)</u>	<u>(25,201)</u>	<u>(19,329)</u>	<u>(25,768)</u>
Net premium	41,036	29,490	129,944	57,884	128,403
Unearned premium adjustment, net	<u>7,219</u>	<u>(5,298)</u>	<u>(1,290)</u>	<u>(10,599)</u>	<u>(50,395)</u>
Net earned premium	48,255	24,192	128,655	47,286	78,008
Commission earned	13,769	9,327	43,043	21,976	33,630
Commission incurred	(15,148)	(9,681)	(42,977)	(20,301)	(31,456)
Claims, net	(22,799)	(12,907)	(61,020)	(34,182)	(46,829)
Operating expenses	<u>(36,495)</u>	<u>(34,916)</u>	<u>(110,524)</u>	<u>(99,387)</u>	<u>(134,735)</u>
Underwriting loss	(12,417)	(23,986)	(42,823)	(84,609)	(101,382)
Other income					
Investment income	8,172	7,977	24,249	23,177	30,736
Bank interest	2	1	6	4	4
Profit/(Loss) on sale of Investment	1,374	725	1,415	(824)	24,085
Foreign exchange gain	<u>3,944</u>	<u>1,205</u>	<u>9,600</u>	<u>1,884</u>	<u>(1,305)</u>
	<u>13,493</u>	<u>9,907</u>	<u>35,270</u>	<u>24,241</u>	<u>53,520</u>
Profit/(Loss) before taxation	1,075	(14,079)	(7,554)	(60,368)	(47,862)
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60)</u>	<u>-</u>
	<u>1,075</u>	<u>(14,079)</u>	<u>(7,554)</u>	<u>(60,428)</u>	<u>(47,862)</u>
Profit/(Loss) per share (cents per share)	<u>0.01</u>	<u>(0.07)</u>	<u>(0.04)</u>	<u>(0.28)</u>	<u>(0.22)</u>



IronRock Insurance Company Limited
Statement of Financial Position
September 30, 2018

	Unaudited 9 months September 30, 2018	Audited Year ended December 31, 2017
	<u>\$'000</u>	<u>\$'000</u>
<u>ASSETS</u>		
Cash and cash equivalents	69,592	56,502
Investments	442,263	280,610
Insurance and other receivables	88,351	166,307
Reinsurance assets	157,058	190,771
Taxation recoverable	14,788	9,160
Short-term Investments	30,000	171,351
Securities purchased under resale agreements	75,154	17,256
Property plant and equipment	13,770	16,398
Intangible Asset	5,278	5,760
Deferred acquisition Cost	<u>27,332</u>	<u>23,650</u>
	<u>923,586</u>	<u>937,765</u>
 <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Insurance and other payables	68,003	100,682
Insurance contract provisions	305,190	303,392
Deferred commission income	<u>25,478</u>	<u>21,352</u>
Total Insurance Funds	398,671	425,426
Shareholders' equity	<u>524,915</u>	<u>512,339</u>
	<u>923,586</u>	<u>937,765</u>

Managing Director
R. Evan Thwaites

Director of Finance
Wayne Hardie

IronRock Insurance Company Limited
Statement of Changes in Shareholders' Equity
For the nine months ended September 30, 2018

	<u>Ordinary share capital</u> \$'000	<u>Capital reserve</u> \$'000	<u>Investment Revaluation reserve</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total</u> \$'000
Balances as at December 31, 2016	<u>465,540</u>	<u>139,340</u>	<u>5,505</u>	<u>(50,206)</u>	<u>560,179</u>
Net loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,428)</u>	<u>(60,428)</u>
Other Comprehensive income:					
Equity revaluation reserve	<u>-</u>	<u>-</u>	<u>24,490</u>	<u>-</u>	<u>24,490</u>
Total Other Comprehensive income	<u>-</u>	<u>-</u>	<u>24,490</u>	<u>-</u>	<u>24,490</u>
Balances as at September 30, 2017	<u>465,540</u>	<u>139,340</u>	<u>29,994</u>	<u>(110,634)</u>	<u>524,240</u>
Balances as at December 31, 2017	<u>465,540</u>	<u>139,340</u>	<u>5,527</u>	<u>(98,068)</u>	<u>512,339</u>
Net loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,554)</u>	<u>(7,554)</u>
Other Comprehensive income:					
Equity revaluation reserve	<u>-</u>	<u>-</u>	<u>20,130</u>	<u>-</u>	<u>20,130</u>
Total Other Comprehensive income	<u>-</u>	<u>-</u>	<u>20,130</u>	<u>-</u>	<u>20,130</u>
Balances as at September 30, 2018	<u>465,540</u>	<u>139,340</u>	<u>25,657</u>	<u>(105,622)</u>	<u>524,916</u>

IronRock Insurance Company Limited
Statement of Cash flows
For the six months ended September 30, 2018

	Unaudited 30-Sept-18 \$'000	Audited 31-Dec-17 \$'000	Unaudited 30-Sept 17 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit after taxation	(7,554)	(47,862)	(60,428)
Adjustments to reconcile (loss)/profit to net cash provided by operating activities:			
Depreciation	3,910	5,177	3,862
Gain/Loss on disposal of investment	(1,415)	(24,085)	824
Increase in insurance funds	35,511	70,242	29,823
Taxation			60
Interest income	<u>(24,249)</u>	<u>(28,555)</u>	<u>(23,177)</u>
	6,203	(25,083)	(49,036)
Increase in current assets:			
Insurance and other receivables	75,352	(119,557)	(20,230)
Deferred Policy acquisition cost	(3,682)	(13,911)	(6,919)
Taxation Paid	<u>(5,628)</u>	<u>(6,538)</u>	<u>(5,727)</u>
	66,042	(140,006)	(32,876)
Increase/(decrease) in current liabilities:			
Insurance and Other Payables	(32,679)	75,263	35,740
Unearned Commission	<u>4,126</u>	<u>12,020</u>	<u>8,396</u>
	<u>(28,553)</u>	<u>87,283</u>	<u>44,136</u>
Net cash used by operating activities	<u>43,692</u>	<u>(77,806)</u>	<u>(37,776)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase)/decrease in:			
Short-term Investments, Net	141,351	(101,004)	(93,277)
Securities Purchased/Sold under resale agreement	(57,898)	13,393	13,394
Investment, Net	(164,530)	15,855	13,772
Additions to fixed assets	(1,282)	(2,279)	(535)
Intangibles	482		
Proceeds from the sale of Investments	24,422	93,184	15,345
Interest received	<u>26,853</u>	<u>28,923</u>	<u>27,232</u>
Net cash proceeds/(used) by investing activities	<u>(30,602)</u>	<u>48,072</u>	<u>(24,069)</u>
Net increase in cash and cash equivalents	13,090	(29,734)	(61,845)
Cash and cash equivalents at beginning of period/year	<u>56,502</u>	<u>86,236</u>	<u>86,236</u>
Cash and cash equivalents at end of period/year	<u>69,592</u>	<u>56,502</u>	<u>24,391</u>

Notes to the Unaudited Financial Statements
For the nine months ended September 30, 2018

1. Identification

IronRock Insurance Company Limited (the company) was incorporated June 9, 2015 and is domiciled in Jamaica, with its registered office at 1b Braemar Avenue, Kingston 10. At December 31, 2015, the company was a wholly owned subsidiary of Granite Group Limited, a company incorporated and domiciled in St. Lucia. As a result of the Initial Public Offering (IPO) on 1 March 2016, Granite Group Limited's ownership reduced to 50.9%. The principal activity of the company is the underwriting of general insurance business.

The company commenced trading in March 2016.

2. Insurance licence

The company is registered under the Insurance Act 2001 (Act)

3. Basis of preparation

The financial statements are prepared on the historical cost basis. The unaudited financial results for the three months' period have been prepared in accordance with International Accounting Standard 34 – Interim Financial Statements

4. Significant Accounting Policies

The same accounting policies and methods of computations are followed in the interim financial statements as compared with the most recent annual audited financial statements.

5. Earnings per share

Earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue.



List of Shareholders

As at September 30, 2018

Authorised Share Capital 1,000,000,000 units
 Issued Share Capital 214,000,000 units

Top Ten Shareholders

<u>Name</u>	<u>Shareholdings</u>
Granite Group Ltd	109,000,000
Mayberry Jamaican Equities Limited	42,506,271
Mayberry Managed Clients Accounts	8,503,573
Catherine Adella Peart	7,000,000
Sharon Harvey-Wilson	3,768,339
Michelle A. Myers Mayne	3,000,000
Bamboo Group Holdings Limited	2,971,530
William D. McConnell	
Tania McConnell/Leah McConnell	808,000
William D. McConnell	
Tania McConnell/David McConnell	806,000
William D. McConnell	
Tania McConnell/William McConnell	806,000
	2,420,000
Stafford Burrowes/Marilyn Burrowes	2,000,000
Apex Pharmacy	1,989,266

Connected Persons

<u>Connected Persons</u>	<u>Shareholdings</u>
Jean Bell	300,000
St. Elizabeth Holdings Limited	811,000

Shareholdings of Directors and Senior Officers

<u>Directors</u>	<u>Shareholdings</u>	<u>Connected Persons</u>
William D. McConnell	-	112,231,000
Richard Evan Thwaites	1,600,000	109,000,000
Wayne N. Hardie	1,025,727	-
Anthony Bell	-	300,000
Christopher Berry	-	47,467,067
Gary Peart	-	49,506,271

Senior Officers

Yvonne Daley	250,000	-
Maurice Bolt	200,000	-